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8 UNITED STATES BANKRUPTCY COURT  
9 EASTERN DISTRICT OF WASHINGTON

10 In re River-Bluff Enterprises, Inc.,  
11 Debtor.

Case No. 14-00843

Chapter 11

12 **DECLARATION OF BYRON HANEY**  
13 **IN SUPPORT OF DEBTOR'S MOTION**  
14 **FOR ORDER AUTHORIZING**  
15 **INTERIM USE OF CASH**  
16 **COLLATERAL OF U.S. BANK; AND**  
17 **FOR ORDER SHORTENING TIME**  
**THEREOF**

18 I, Byron Haney am a shareholder and an officer of the River-Bluff Enterprises, Inc., the  
19 debtor and debtor in possession in the above referenced case (the "Debtor"). I am competent to  
20 testify and if called upon to do so could with regard to the following matters:

21 1. This declaration is provided in support of the Reorganized Debtor's Motion For  
22 Order Authorizing It Obtaining New Credit.

23 2. An order confirming the Debtor's Second Amended Chapter 11 Plan of  
24 Reorganization as Modified (the "Plan") was entered by the by the Court on April 10, 2015.

25 3. Pursuant to the Plan, the Debtor was required to, among other things, obtain  
26 leases for unrented space in the Medical Building, make monthly payments to U.S. Bank in the  
27

28 In re River Bluff Enterprises, Case No. 14-00843  
Dec In Support of Motion to Incur New Debt

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1 amount of \$39,000.00 per month commencing in January 2015, with the payments increasing to  
2 \$41,000.00 per month in January 2016 for the remaining term of the loan. The loan must be paid  
3 in full by December 31, 2018. Debtor asserts that it is in compliance with all the terms of the  
4 Plan generally, and with all of the terms of the Plan applicable to the secured claim of U.S. Bank.

5 4. The new debt incurred by the Debtor from STCU will be used first to retire the  
6 secured claim of U.S. Bank in its entirety. Debtor anticipates that the terms of the new loan shall  
7 be more favorable to the Debtor, in that the term of the loan is expected to go beyond December  
8 31, 2018, and that the payments terms will improve the Debtor's cash flow position.

9 5. On October 12, 2015 I received a copy of the loan commitment letter from STCU  
10 regarding the terms of a new loan in the amount of \$5.0 million dollars. A true and correct copy  
11 of that loan commitment letter is attached hereto as Exhibit "1" and incorporated herein by  
12 reference. As evidenced by the letter, the closing of the loan with STCU will substantially  
13 improve the Debtor's monthly cash flow, dropping the monthly payment related to the Medical  
14 Building from \$39,000.00 per month (increasing the \$41,000.00 in January 2106), to  
15 approximately \$27,086.91.

16 6. I anticipate the STCU will fund this loan within a few days after receiving the  
17 order of this Court authorizing the Debtor to incur the new debt.

18 7. I am advised that, as of September 16, 2015, the payoff amount for the US Bank  
19 secured claim was \$5,236,702.06, plus the bank's post-effective date legal fees. Additional  
20 information regarding the amount of the post-effective date fees was requested by the Debtor's  
21 counsel on or about September 26, 2015, but has not yet been provided with that additional  
22 information.

23 8. I am aware that the loan from STCU for \$5.0 million would not be enough to  
24 fully pay US Bank's secured claim in full.

25 9. I have discussed this shortage with the other shareholders of the Debtor, and  
26 believe that we will be able to self-fund the difference necessary at closing to fully fund a payoff  
27 of the US Bank secured claim.

1           10.     STCU has agreed to close loan while the Debtor remains in an open bankruptcy  
2 proceeding, but the Debtor anticipates as a condition of the loan that it will be necessary to  
3 obtain a final decree closing the case shortly after it obtains approval of the new loan  
4 contemplated by this motion.

5           11.     While US Bank has filed a responsive pleading to the motion, I do not believe that  
6 they oppose the closing of the loan with STCU, provided its claim is paid in full at the closing.

7           12.     Because the Debtor has not been provided with US Bank's post-effective date  
8 attorney fees, the Debtor reserves the right to dispute the amount those fees at a later date should  
9 they prove to be unreasonable.

10 Executed under penalty of perjury this 13<sup>th</sup> day of October <sup>2015</sup>~~2014~~ at Ellensburg, WA

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12   
13 Byron Haney